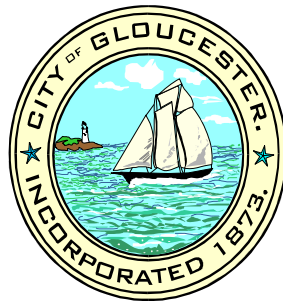


# The State of the City

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Prepared by  
Mayor Carolyn A. Kirk  
October 2011



## Dear Citizens of Gloucester,

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*In April of 2008, I delivered the first-ever comprehensive State of the City report. It touched on everything from a breakdown of the municipal budget to infrastructure needs to economic development to hard numbers on where your tax dollars go.*

*This is the 4<sup>th</sup> Annual State of the City report, and is a continuation of what has been an ongoing dialogue about our city. This process provides citizens, municipal employees, and my elected colleagues on the City Council and the School Committee with a common framework for celebrating our successes and understanding the challenges we still face.*

*In neighborhood “State of the City” meetings, we will also talk about the character of Gloucester’s people – people who have risen to meet the challenges placed before them. Citizens have risen to every occasion, and Gloucester is stronger for it.*

*In 2008, I said that it is the very city itself that needs us now. Today, I am pleased to report that the State of the City is sound and we are ever more optimistic about her future.*

**Yours faithfully,**

**Mayor Carolyn Kirk**  
**October 2011**

# TABLE OF CONTENTS

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Financial Overview .....	4
Infrastructure.....	13
Economic Development .....	33
Summary.....	49

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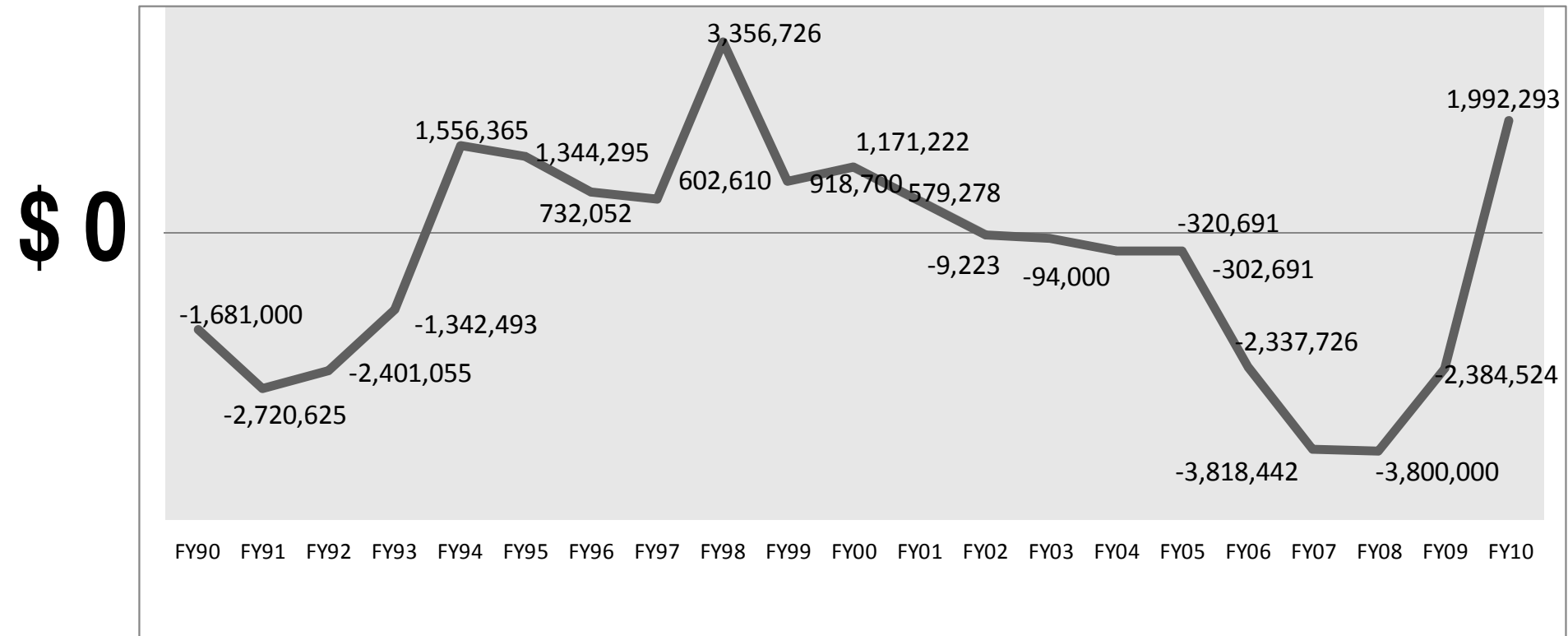
# *FINANCIAL OVERVIEW*



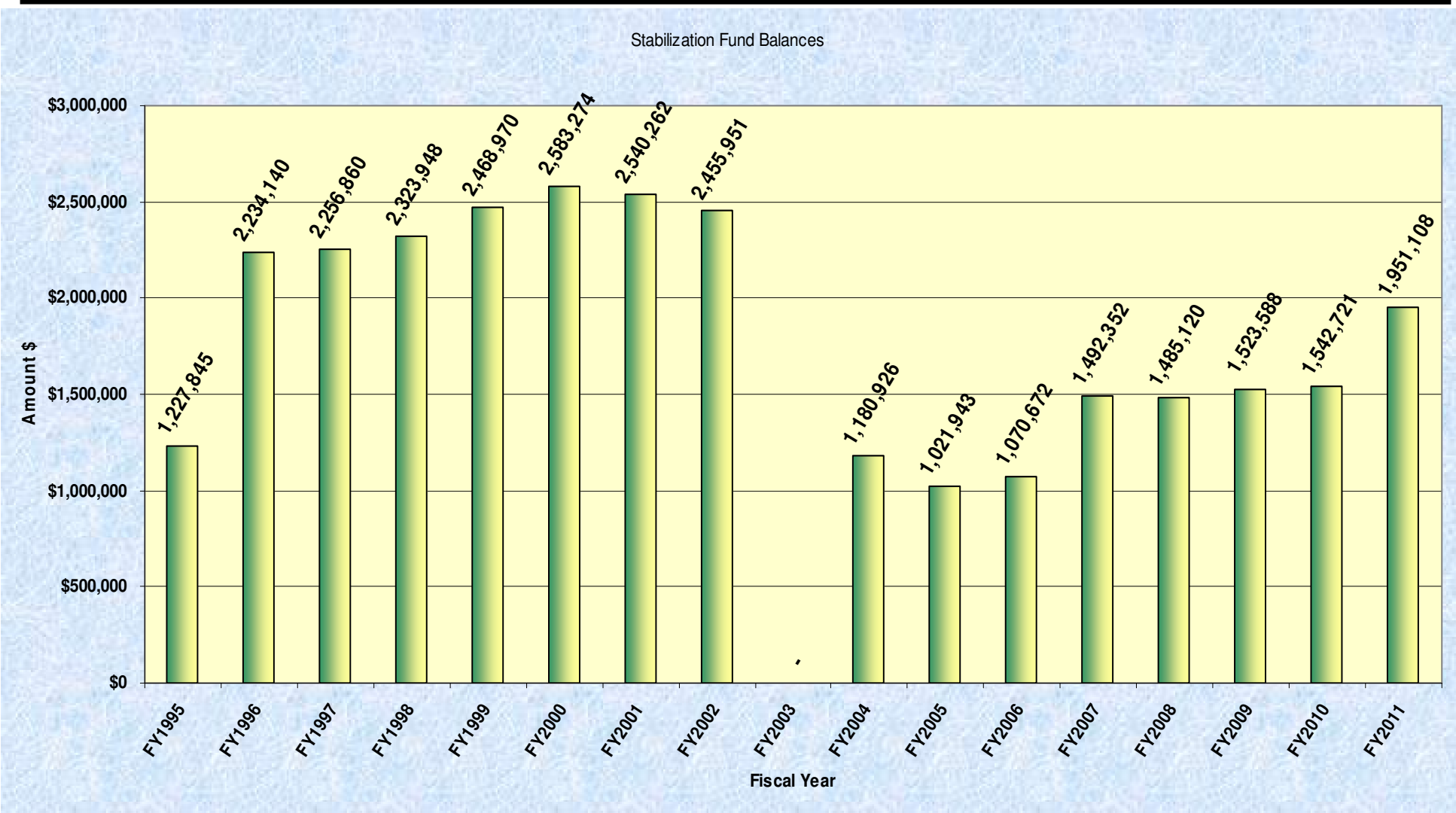
**FREE CASH:** *The fiscal turnaround of the city is remarkable. Last year we produced positive free cash for the first time in 9 years. Our policy is to invest 50% and to save 50%.*

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## Free Cash = Financial Flexibility and Fiscal Discipline



**STABILIZATION FUND:** *Using Free Cash, we were able to make a deposit into the city's emergency fund. Performance here is a major reason the negative outlook was removed by Moody's.*



***We should have a minimum of 5% of the operating budget held in reserve. Between fund balance and stabilization, we have achieved our goal.***

**BOND RATING:** *The negative outlook on Gloucester's bond rating was removed this past summer. We are Double A rated – “high quality by all standards” – according to the Moody's definition of ratings categories.*

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## ***Moody's Investors Service – Summer 2011***

***“Gloucester's available reserve position has begun to stabilize... after several years of operating deficits since FY06.”***

***“The school dept. budget has been reduced to make up for the loss of ARRA funding however reductions are expected to match declining student enrollment trends.”***

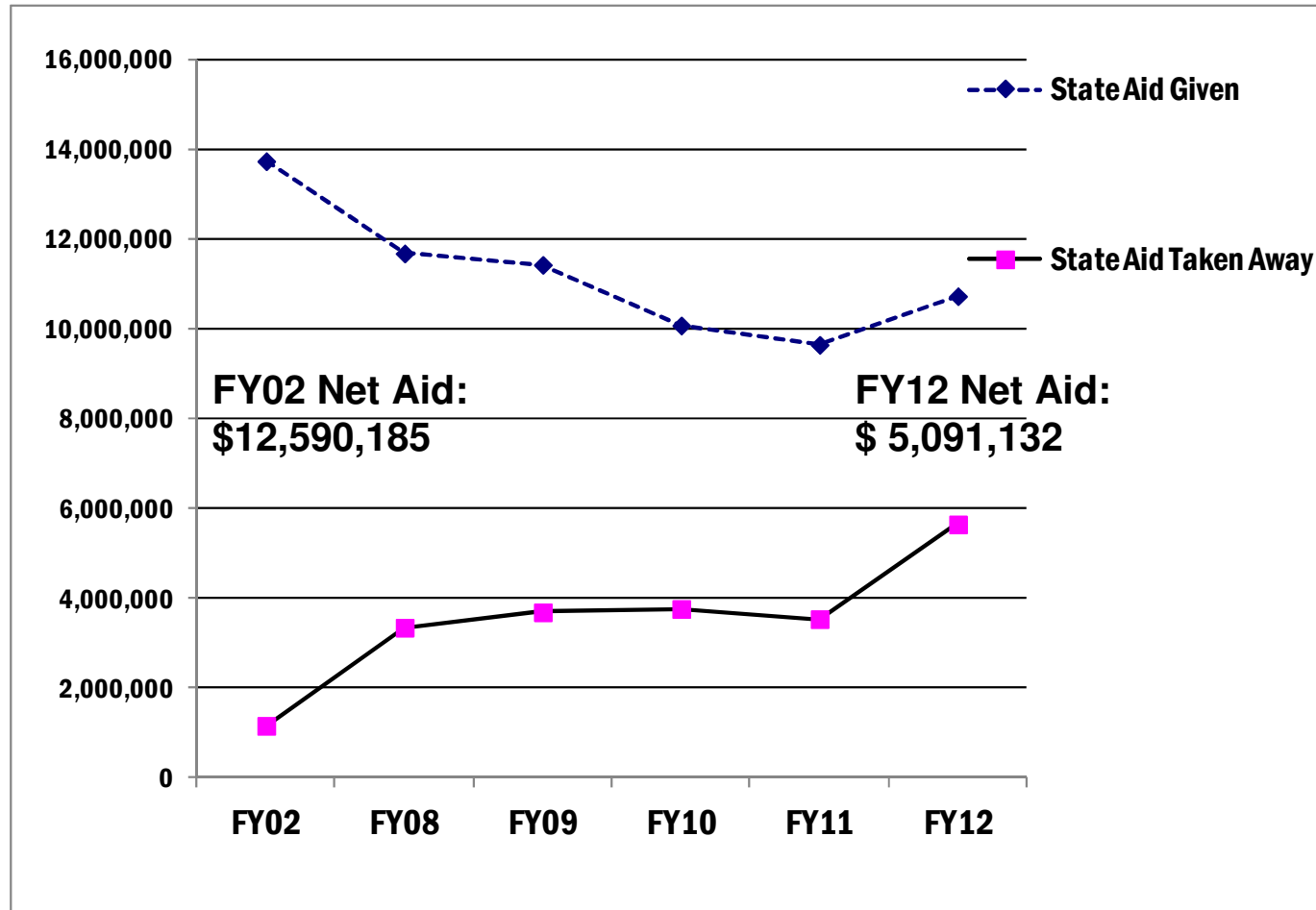
***“Overall debt burden will remain manageable.”***

***“Removal of the negative outlook recognizes the increase in available reserves as well as adoption of formal financial policies and the resolution of deficits in the enterprise funds.”***

***“A more conservative approach... has resulted in structurally balanced operations.”***

**REVENUE TRENDS – STATE AID:** *We are starting to see the impact of the charter school on our state aid. Over the past 10 years, the state aid we use to support the operating budget has dropped by \$7.5 million.*

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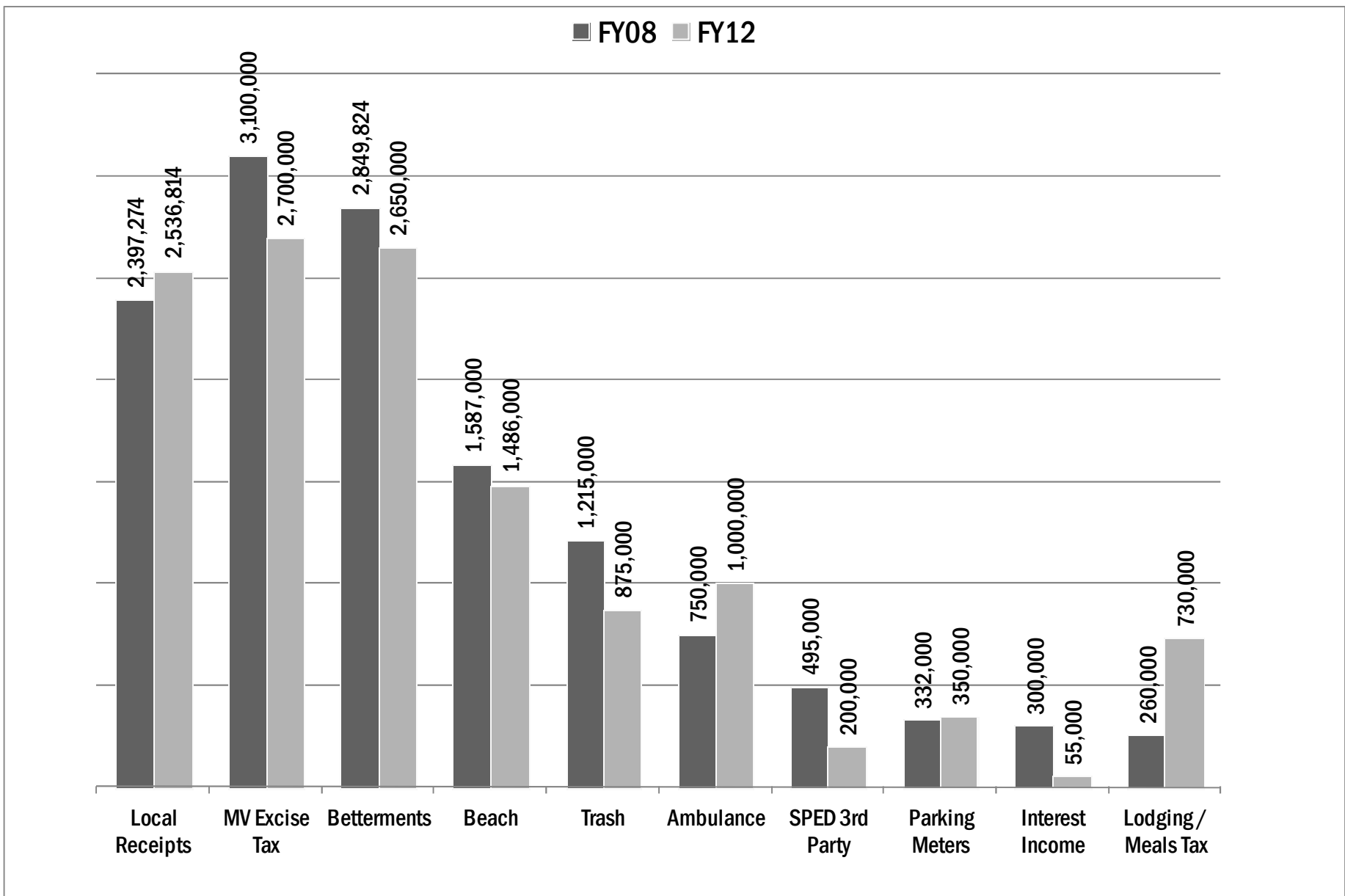


*10 years ago, 17% of the city's budget was made up of state aid.*

*Today, only about 6% is.*



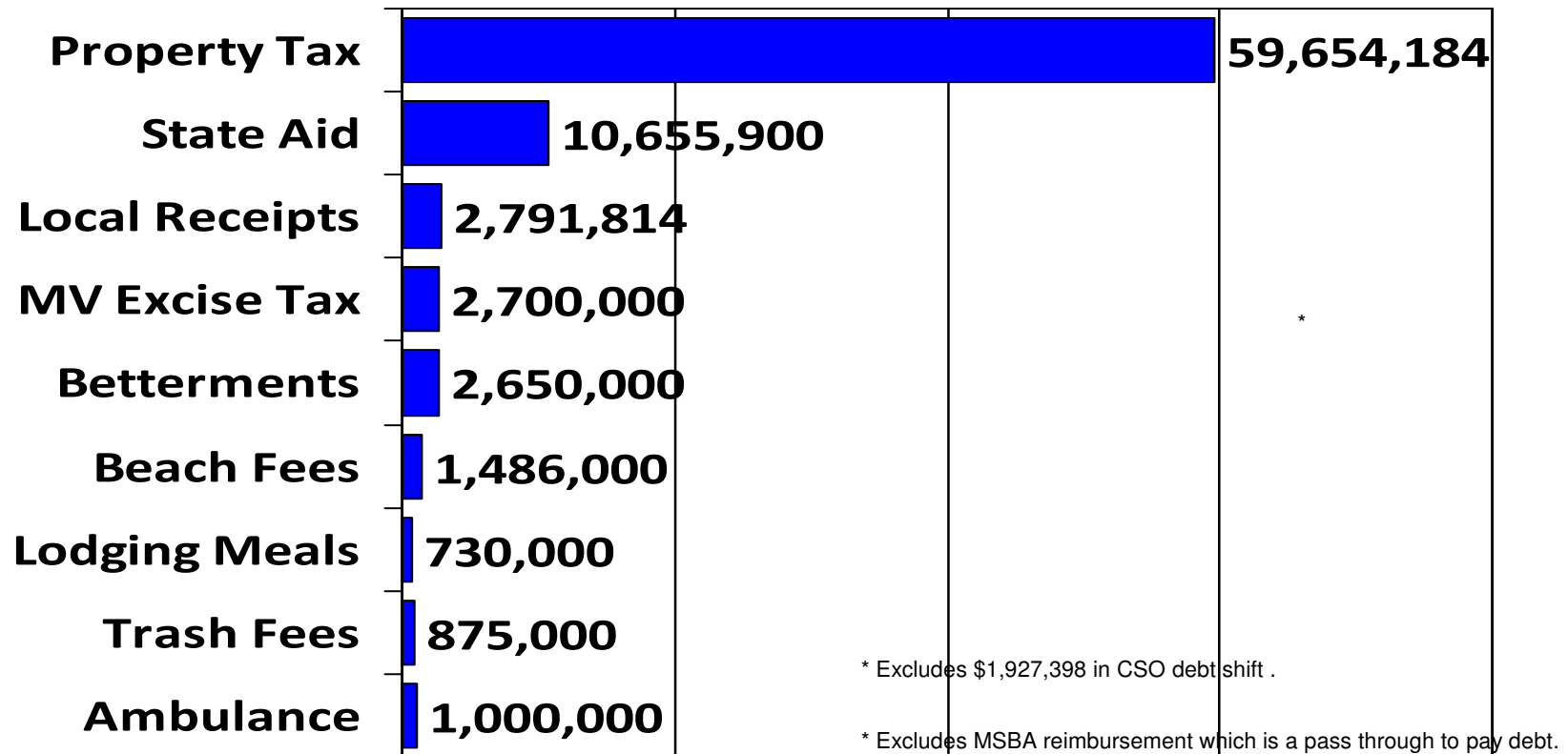
**REVENUE TRENDS – LOCAL SOURCES:** *Large deficits were also the result of overstated revenues. Almost all local revenues have been adjusted down. Lodging/meals tax and ambulance revenues have made up some of the difference.*



**FY 12 BUDGETED REVENUES – all sources:** *Property tax remains the single highest contributor to city revenue by far. The loss of net state aid, overcoming deficit spending and overstated revenues while maintaining services has kept the pressure on the property tax.*

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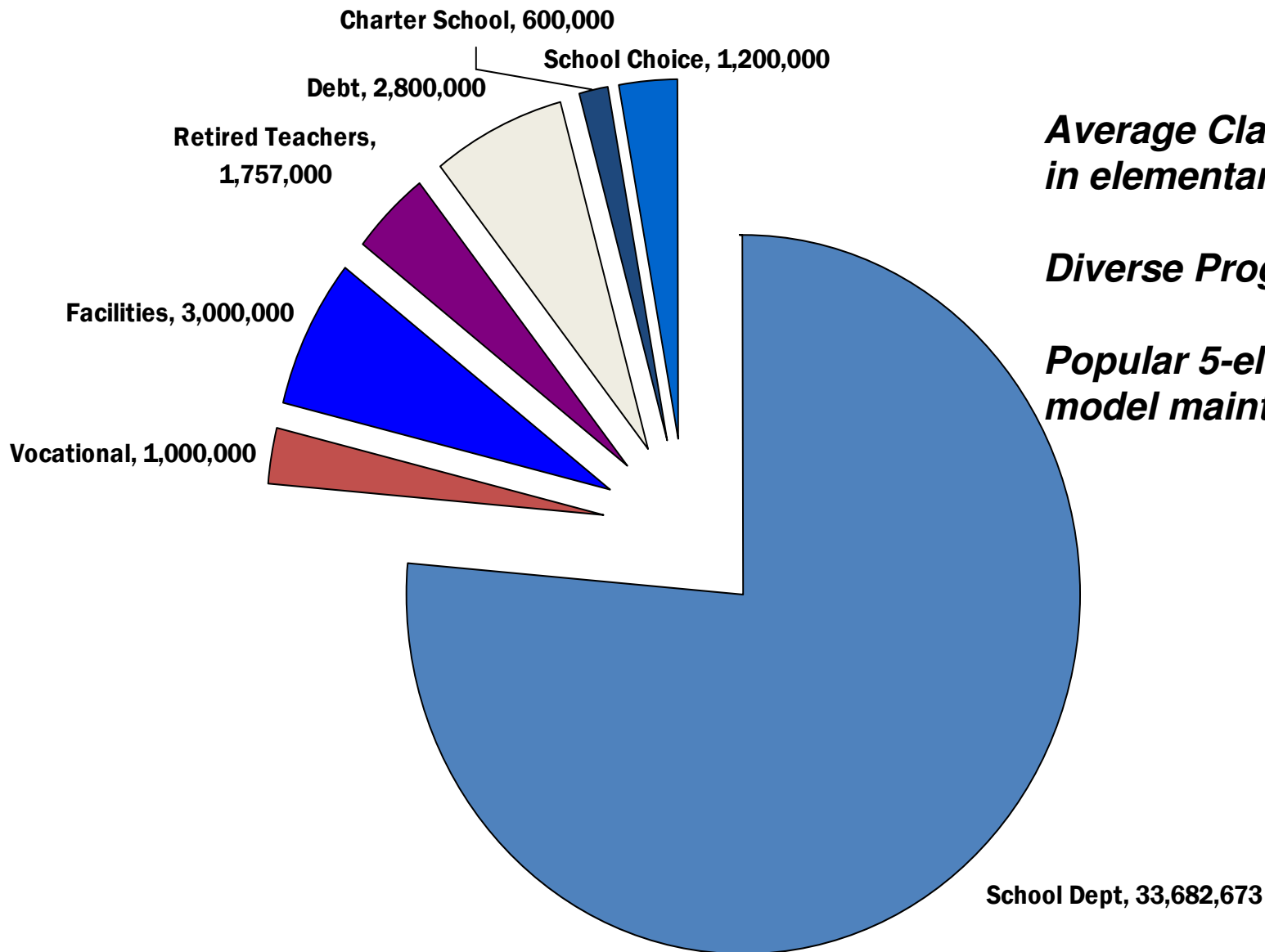
Revenue\* Budgeted for FY12



*For exact figures, see FY12 budget.*

**SCHOOL SPENDING:** *On an estimated total FY12 budget of \$85 million, education-related spending represents over 50% of city expenditures for a total of \$44 million.*

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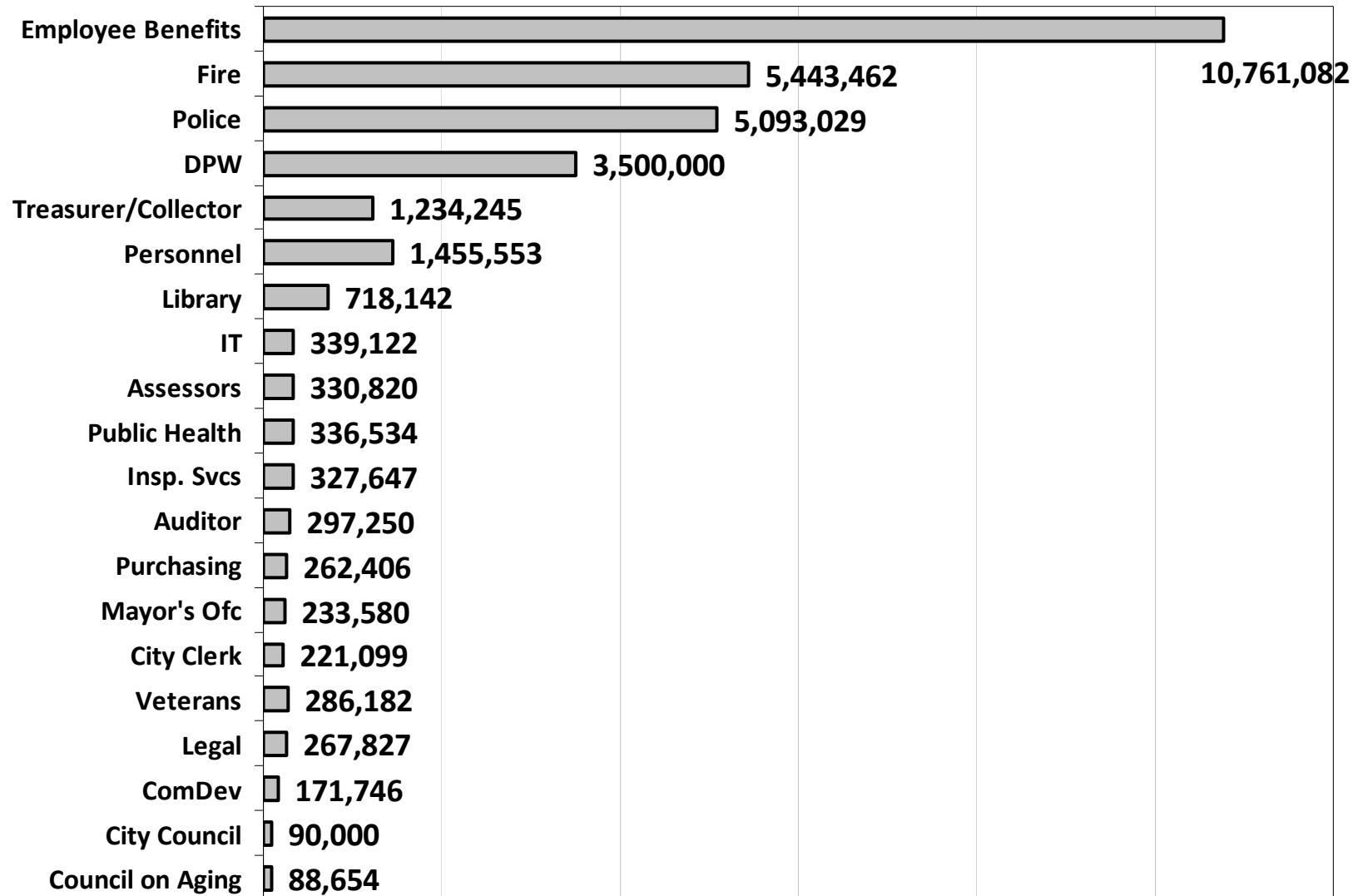


*Average Class Size: 20 and 21  
in elementary and middle*

*Diverse Program of Study at GHS*

*Popular 5-elementary school  
model maintained*

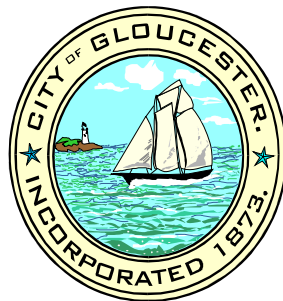
**CITY SPENDING BY DEPARTMENT – FY12:** *Employee benefits (health insurance and pensions) represents the greatest expense. New state legislation enacted last year gives municipal leaders greater authority over health insurance expenses.*



*For exact figures, see FY12 budget.*

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# *INFRASTRUCTURE*



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# Drinking Water

**DRINKING WATER – Water Treatment Plants (WTP):** *During 2009 and 2010, the city has spent \$11.6 million on its drinking water treatment plants and systems.*

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**2009/2010 WATER TREATMENT  
PLANT UPGRADES:**

**Babson Water Treatment Plant (WTP)**  
**\$8.6 Million – Emergency**



**West Gloucester**  
**\$3 Million – Planned**



**DRINKING WATER SYSTEM:** *A source of frequent breaks, the main on Western Ave. has been partially replaced under emergency conditions. \$900k.*

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**DRINKING WATER SYSTEM:** *The severely undersized lower Essex Ave. water main has also been replaced. \$1.2 million.*

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**OLD CITY AREA:** *The water distribution system in this area is scheduled to be replaced. The most densely populated areas of the city rely on this network including Central, North and East Gloucester, and AGH. \$5 million.*

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*An additional \$20 million is required throughout the water system including:*

- *Storage tank rehabilitation*
- *Babson Dam*
- *Blynman Canal crossing*

*We are aggressive in our lobbying for Infrastructure relief on Capital Hill and Beacon Hill.*

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# Dirty Water (Waste Water)

**WASTE WATER:** *The Sewer Treatment Plant is under an Administrative Consent Order issued to the City by DEP in February 2007, and is undergoing a \$20 million upgrade.*

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**DIRTY WATER:** *Next most important (or mandated) sewer infrastructure projects.*

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**Secondary Treatment:**

**\$ 40 - \$60 million**

The water quality standards established for the receiving water (Gloucester Harbor) require a higher level of treatment than the existing plant can produce. Waiting on EPA response to Gloucester's formal public comment.

**Sewerage Pump Station Improvements:**

**\$5 – \$10 million**

Likely Required by MassDEP due to age and conditions of pump stations. 29 total throughout sewer system.

**Collection System Vulnerabilities:**

**\$ Under evaluation**

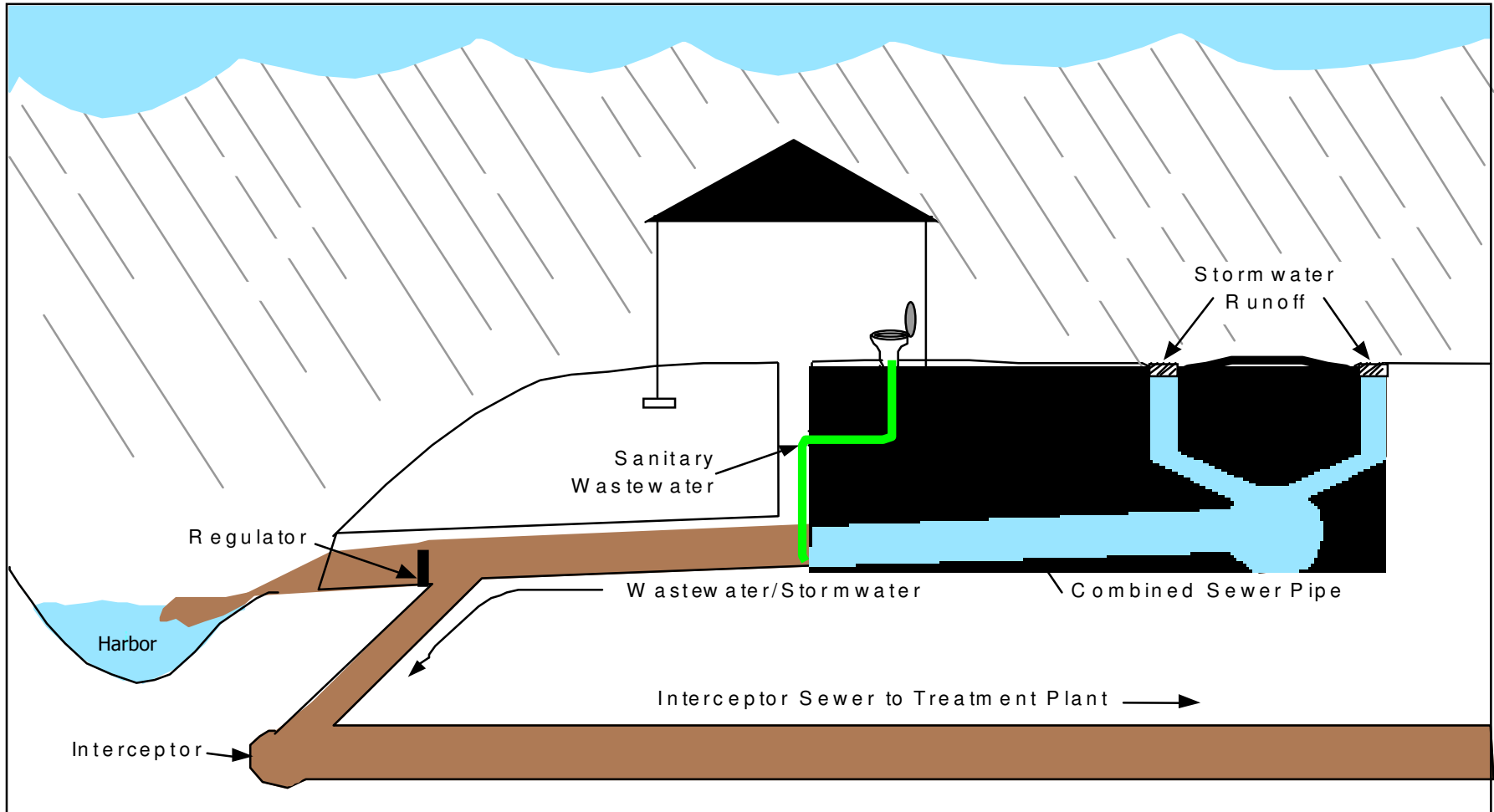
There are still areas of antiquated brick sewer pipes in the downtown area. Lower Essex Ave. also needs attention due to poor design, engineering, and construction in 2004.

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# Storm Water

**STORM WATER:** *What is a Combined Sewer Overflow (CSO)? A situation created when sewage and storm water exceed the capacity of the pipes to move through the system resulting in sewage flows into the Harbor.*

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**Wet Weather Conditions**



**CSO PROJECT STATUS:** *Together we are bearing our community responsibility to come into compliance with the Clean Water Act.*

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### **GOOD NEWS:**

The largest portion of the CSO separation project has been completed as of June 2010 at a cost of \$24 million.

As a result, plant functions have improved dramatically with the elimination of the processing of salt water, and the reduced volume of flow associated with rain events.

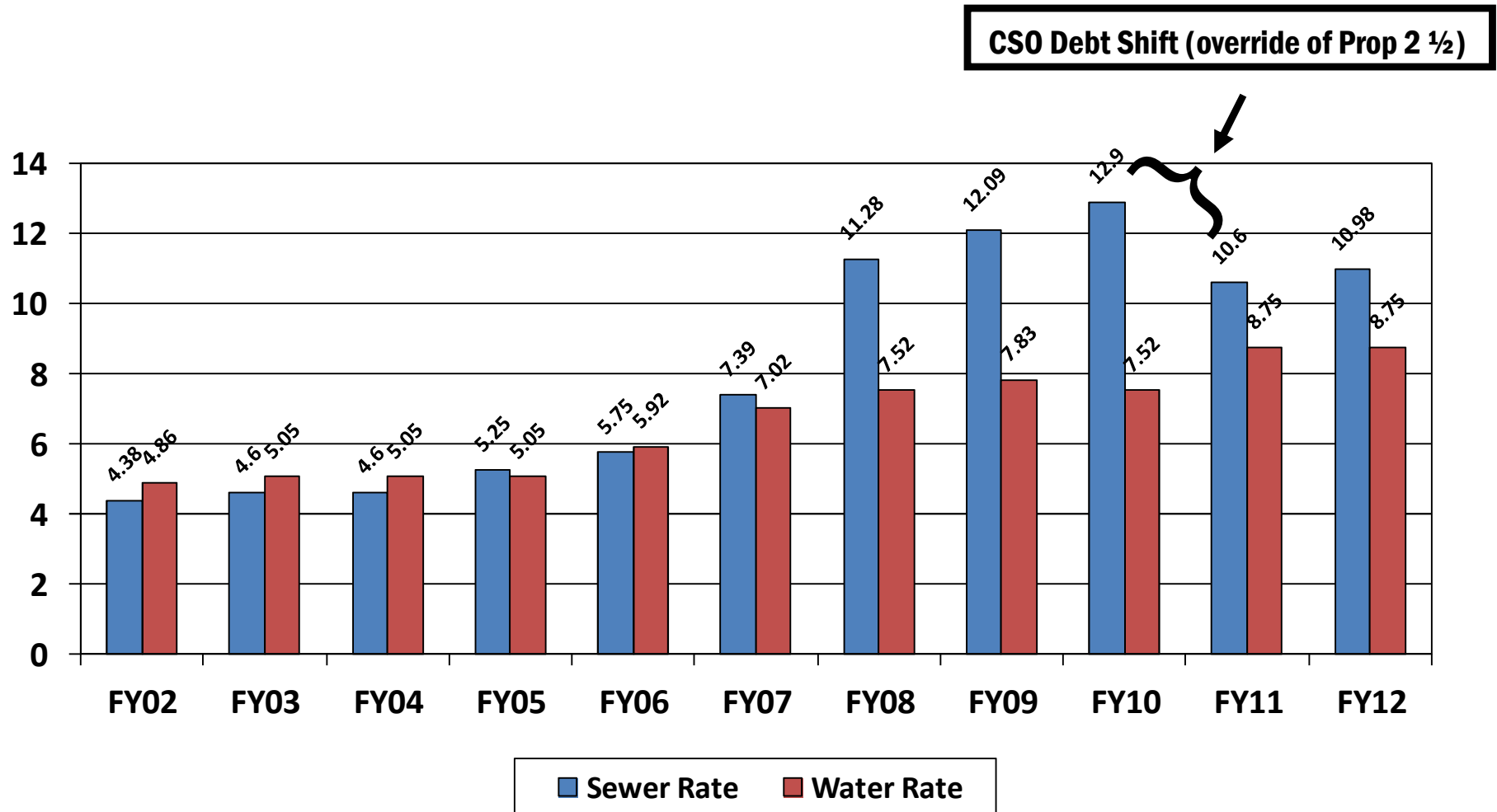
In addition, overflows of dirty water into the Annisquam River, and Harbor have been significantly reduced.

### **MORE GOOD NEWS:**

Because of the successful results of the CSO project so far, we are in the final stages of negotiating cost-saving modifications to the consent decree between the city and the EPA / Dept. of Justice. Approval is expected soon, and construction of the final phase will begin in Spring 2012.



**RATE SHOCK:** *Pressure remains on the water and sewer rates due to long overdue capital projects and mandates from the state and federal governments.*



**MUNICIPAL BUILDINGS – City Hall:** *City Hall has recently benefited from a \$2.6 loan authorization payable through the Community Preservation Act.*

---



**MUNICIPAL BUILDINGS – Fuller School:** *Mass Development is currently assisting the city in identifying the best reuse scenarios for the Fuller School building and property.*

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**Four Development Scenarios:**

- 1. Highest value re-use of the entire property;**
- 2. Re-use of school building for YMCA and a joint public safety building on the site;**
- 3. Re-use of school building for some other revenue-generating use and a joint public safety building on the site;**
- 4. Demolition of school building and sale or lease of property and a joint public safety building on the site.**

**MUNCIPAL BUILDINGS – Joint Public Safety Building:** *The city is currently evaluating the feasibility of a new combined Fire / Police Station on the grounds of the Fuller School site.*

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## **BENEFITS OF A JOINT PUBLIC SAFETY BUILDING:**

- **Improved response times for FD to access North Gloucester, East Gloucester and West Gloucester without winding through downtown**
- **Streamlined dispatch**
- **Easier to implement the new law requiring PD to dispatch medical calls**



**MUNICIPAL BUILDINGS – Schools:** *Long overdue roof replacements completed this past summer.*

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- **Roofs replaced on the following schools this past year:**
  - O'Maley including Talbot Rink
  - Plum Cove
  - Beeman
  - Veteran's Memorial
  - East Gloucester
- **Administration, City Council and School Committee worked cooperatively to obtain Mass. School Building Authority funding resulting in 47% reimbursement.**
- **Projects came in on time and well under budget.**
- **Major renovation / rehabilitation / capital plan required for West Parish**



**INFRASTRUCTURE – Roads and Sidewalks:** *All paving and sidewalks are being accomplished with city of Gloucester resources and our allocation from Chapter 90.*

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**All or parts of these roads have been recently paved:**

Cherry St - Poplar/Reynard; Poplar St - Washington to Cherry; Prospect St - Washington to School Street; Tower Road/Castle Hill Road; Causeway Street; Ye Old County; Centennial Avenue – Western Ave to Leslie O Johnson; Emerson Avenue; Eastern Avenue – Cross Street to Abbott Road; East Main – 128 to Rocky Neck Avenue; Rocky Neck Avenue; Eastern Point Road (Niles Beach); Washington St – Ferry Street to Autumn Lane; Washington Street – Goose Cove Bridge to Briarwood; Washington Street – High Street to Lanesville Center; Pleasant St – Prospect Street to Main Street Main St; Pleasant Street to Washington Street; Rogers St - Scott Street to Harbor Loop; Rogers St - Commercial to Porter; Leonard Street; Walnut Street; Revere Street (lower portion); Atlantic Road; Farrington Avenue; Concord St – Essex Ave to Bray Street; Bray - Concord Westerly 1500 Ft; Addison Street; Dennison Street (upper); Lincoln Street; Sumner Street; Osman Babson Road; Plum Cove Elementary Access Road; Beeman Memorial Access Road; West Parish Elementary Access Road; Witham Street; St. Anthony's Lane; Crowell Avenue; Wheeler Street; Way Road; Page Street; Mooreland; Prospect (School to Pleasant); Pleasant (Prospect to Willow); Smith Street; Maplewood Ave.; Pine Street; Proctor Street; Church Street; School Street; Mason Street; Mason Ct.; Cleveland Street; Cleveland Place; Shepherd Street; Willow Street

**Sidewalk repairs / replacements / additions are also being completed whenever possible.**

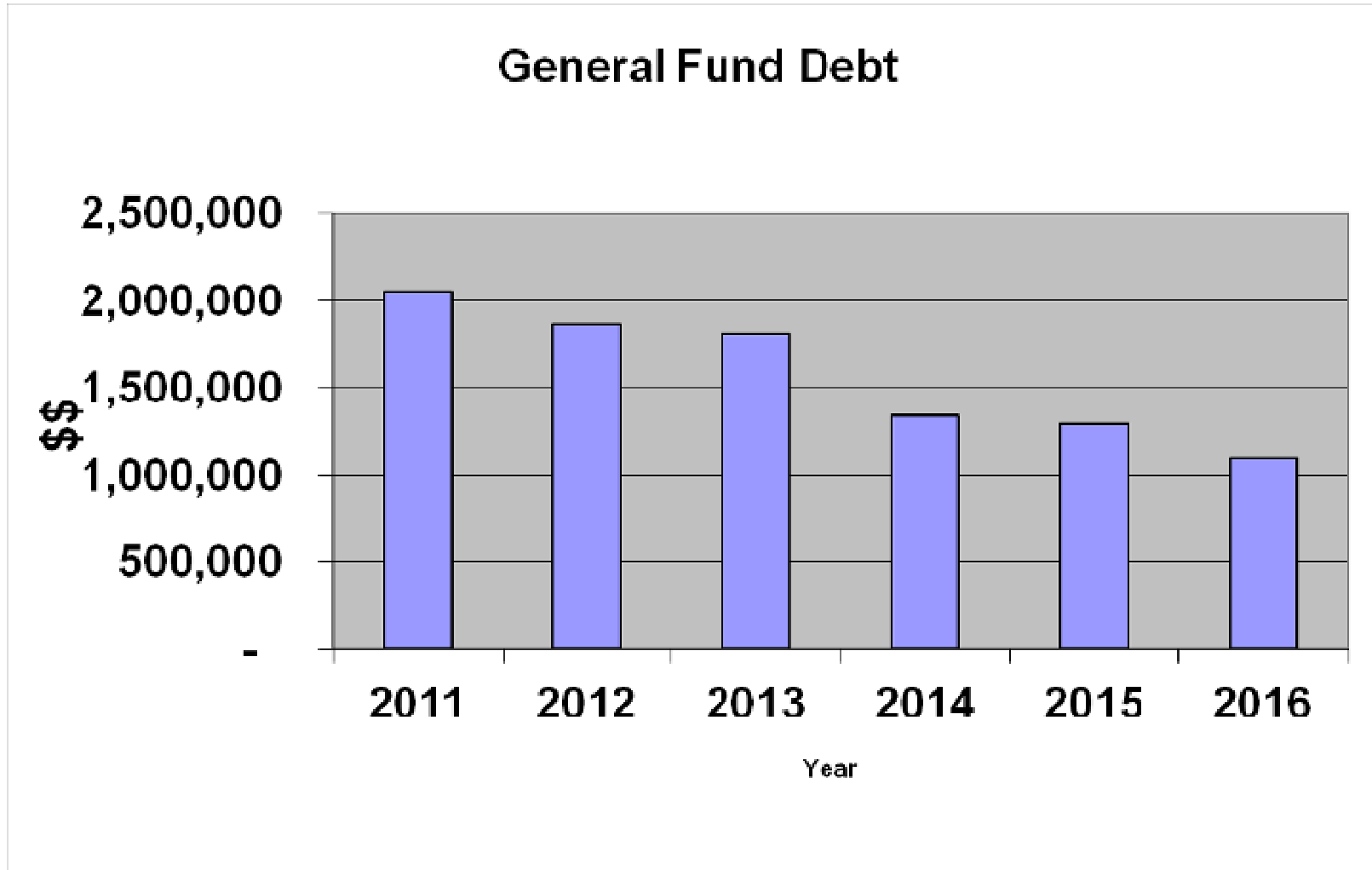
**INFRASTRUCTURE – Other:** *Sixty-two miles of coastline also burdens city resources with maintenance and repair of our coastal infrastructure.*

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**DEBT MANAGEMENT/CAPITAL PLANNING:** *If possible, we would like to cap the debt burden at today's level. As debt retires, capital projects can be initiated.*

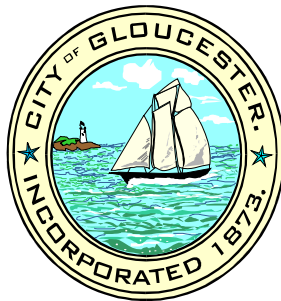
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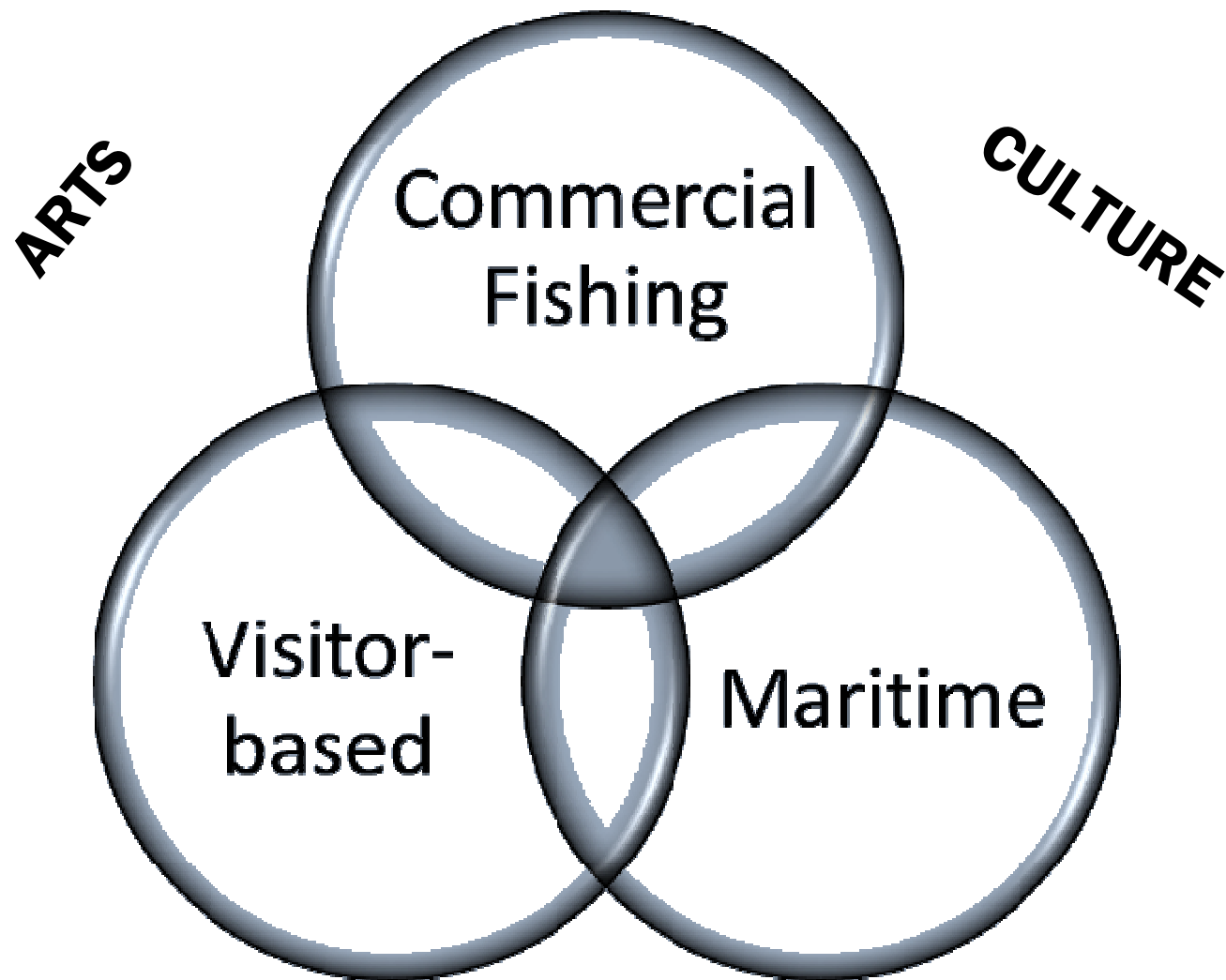
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# *ECONOMIC DEVELOPMENT*



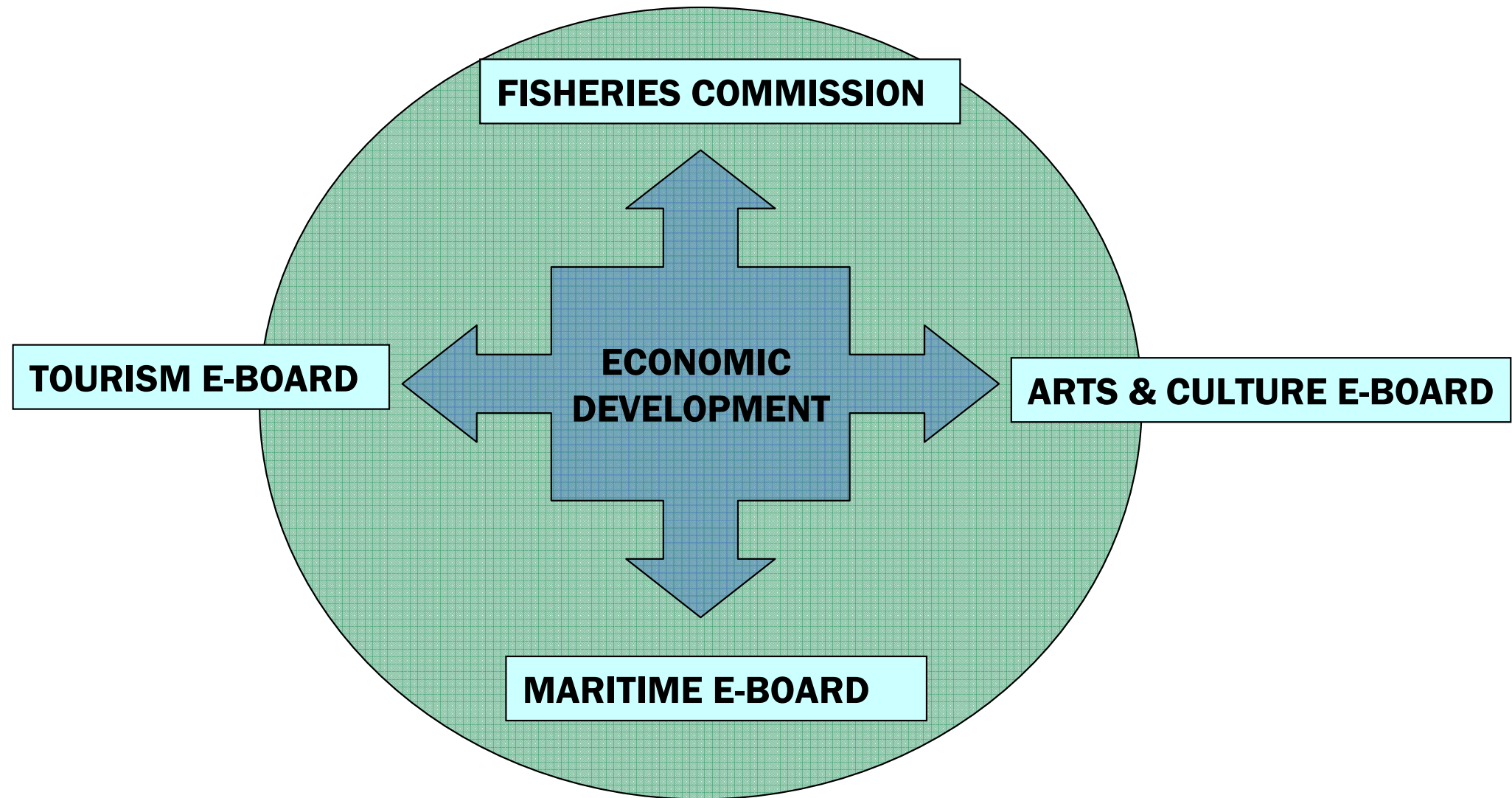
**ECONOMIC DEVELOPMENT PLAN – Harbor Focused:** *Aligned with the municipal Harbor Plan, the city's economic development plan focuses on three segments to bring jobs, investment, and tax base expansion. Arts and Culture serve as a backdrop economic engine supporting each of the segments.*

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**ECONOMIC DEVELOPMENT FRAMEWORK:** *There are a number of stakeholder groups working towards expansion of the targeted economic segments.*

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**HARBORWALK:** *Funded through the Seaport Advisory Council, the Harborwalk is intended to offer a destination experience and offer highly sought after access to the working waterfront.*


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**STORY MOMENTS:** *Visitors and residents will learn about Gloucester's arts, culture and rich history.*

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**19**  
WINSLOW HOMER



**"I work hard every afternoon from 4:30 to 4:40, that being the limit of the light I represent, the title of my picture being Early Evening."**

Winslow Homer

Winslow Homer's most celebrated watercolor images retain traces of his time in Gloucester. He increased his production after his first Gloucester season in 1873 and returned seven years later to Ten Pound Island with ideal access to study the boats, fishermen, the ocean, weather, and light of a busy harbor. Secluding himself, he talked to almost nobody but the lightkeepers and two fishermen.






**STORY MOMENTS:** *“QR” codes will allow visitors to learn more about what they are looking at.*


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**2**


THE DORY



**Dory fishing, a hazardous undertaking that took several thousand lives, set two men adrift in small dories from their mothership with baited hooks on long lines to catch what they could, sometimes as much as 2,000 pounds. It was replaced by motorized trawlers that dragged huge nets behind to snare everything around.**



See a dory being built and rowed at Maritime Gloucester or see historic dories at the Cape Ann Museum.



**STORY MOMENTS:** 40 “story moments” will mark the path.

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34

DOGTOWN COMMON

# HELP MOTHER

The Babson Boulders were carved by out-of-work stonecutters during the depression. Conceived by Roger Babson as inspirational, the boulders display sayings such as 'Ideas', "Spiritual Power" and "Truth". The boulders can be seen along the hiking trails of Dogtown Common in the center of Cape Ann.

IDEAS



**ATMOSPHERE FOR INVESTMENT:** *The I4-C2 property (65 Rogers St.) has been put out to bid. We are actively marketing the property to the maritime economy segment as the anchor use.*

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**City of Gloucester**

Office of the Purchasing Agent  
City Hall, 9 Dale Avenue  
Gloucester, MA 01930  
Telephone 978 281-9710 Fax 978 281-8763  
[www.gloucester-ma.gov](http://www.gloucester-ma.gov)



**Request for Proposals #11204  
Lease and Development of  
65 Rogers Street**

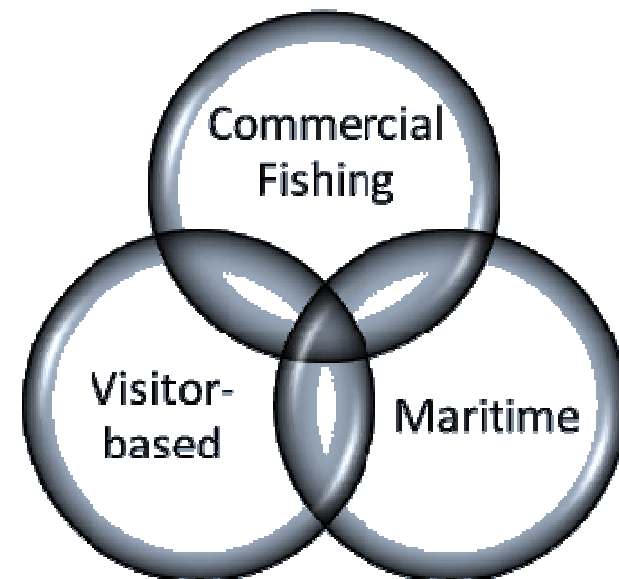
1.82 acre Waterfront Site  
Designated Port Area  
Gloucester, MA

RFP Available to Proposers

Date of Property Open House:

RFP Deadline for Submission and Opening Date:

**The ideal proposal will be a mixed use development which supports our three key harbor economic development segments:**





**CULTIVATING THE CRUISE SHIP MARKET:** *Myth has it that cruise ship passengers bypass Gloucester and board buses for out of town. The Eurodam visits prove otherwise.*


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**In Just Two Days of Eurodam Visits:**

- 1,071 Day Passes Sold for Main St. Loop
- 4,149 passenger trips on the Trolleys
- Positive business impact reported – *“did more business in one day than we did all summer”* *“donuts all sold out”* *“shipped furniture all over the country”*

**[www.gloucesterma.com](http://www.gloucesterma.com): This is a high traffic website owned by the city and maintained by volunteers. Every tourism-related business in the city is offered a listing as a public service.**

Where the stories begin ... 

[Hotels & Lodging](#) [Restaurants & Nightlife](#) [Maps, Guides & What To Do](#) [HISTORIC GLOUCESTER MA](#) [Beaches](#) [Shopping](#) [Arts & Entertainment](#)



**Plan Your**

- Day at the Beach
- Trip to the Spa
- Visit by Boat
- Wedding
- Group Travel
- Cultural Tour
- Tour of Stories
- Whale Watching Trip
- Film Production & Location

**Festivals & Events**

Aug 4 - Oct 13

**Authentic Gloucester** ~ where the stories begin. A short, pleasant drive or train ride northeast of Boston (get directions) Gloucester, MA is the home to America's original seaport and the oldest working art colony in North America.

A place to see, feel and taste history, Gloucester's working waterfront and ineffable beauty have drawn fishermen, families, artists and visitors for over four hundred years.

See 40 ton whales breach on a whale watching trip just 15 miles off Gloucester's rocky shore.

Catch cod, haddock and tuna on a Deep Sea Fishing trip.


Visit lighthouses dating from the 1780s.

Relax on one of our spectacular beaches.

**Live Music near Gloucester MA**

Friday, October 7, 2011

- 9:00pm **THE BANDIT KINGS**  
Minglewood Tavern
- 9:00pm **BYD**  
Captain Carlo's
- 9:00pm **NED AND THE BIG BABIES**  
The Rhumb Line
- 9:00pm **RED SCHOX**  
Dog Bar
- 9:30pm **HENRI SMITH**  
jazz-vocals | jazz-new releases

powered by  gimmesound.com

**PROMOTING ALTERNATIVE TRANSPORTATION:** *Gloucester is more popular as a visitor destination. Our challenge is to manage the impact with as little disruption to residents as possible.*

---

Take the **T** to Gloucester, hop on the **Stage Fort Park Shuttle** and visit America's Historical Seaport—Car Free or Park Free & Ride!

**Stops Include:**

- Stage Fort Park
- Fisherman's & Fisherman's Wives Memorial
- Gloucester Heritage Maritime Museum
- Cruiseport
- Good Harbor Beach
- Downtown Gloucester
- Cape Ann Museum
- Crow's Nest
- WW II Memorial
- Quaint Shops
- Excellent Restaurants
- Bass Rocks Scenic Coast
- Rocky Neck Art Colony
- Hotels

**"T" Trains to Gloucester**  
leave North Station at 8:30am,  
10:15am, and 12:15pm.

*Via a NEW Summer Shuttle*

**STAGE  
FORT PARK  
SHUTTLE**

A service of **CATA**



**June 18 - September 5, 2011**  
**Saturdays, Sundays & Holidays**  
**(978) 283-7278**

**[www.Gloucesterma.com](http://www.Gloucesterma.com)**



**MARITIME SUMMIT:** *Maritime industry innovators will engage in discussions on the future of ocean discovery and positioning Gloucester as a leading center of the field.*

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November 15 & 16  
2011 Maritime Industry Summit

*The untapped potential of maritime and ocean-related innovation  
and the assets of the port of Gloucester  
create an opportunity for us all.*

**MARITIME BUSINESS DEVELOPMENT FUND:** *Three projects have been funded through this local fund: Cape Ann Fresh Catch; this summer's water shuttle; and a Navy prototype boat being built at Maritime Gloucester.*

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**CAPE ANN FRESH CATCH**  
COMMUNITY SUPPORTED FISHERY



**FISHING INDUSTRY:** *All elected officials representing our area along with industry stakeholders are working tirelessly to stem the loss of jobs and small businesses.*

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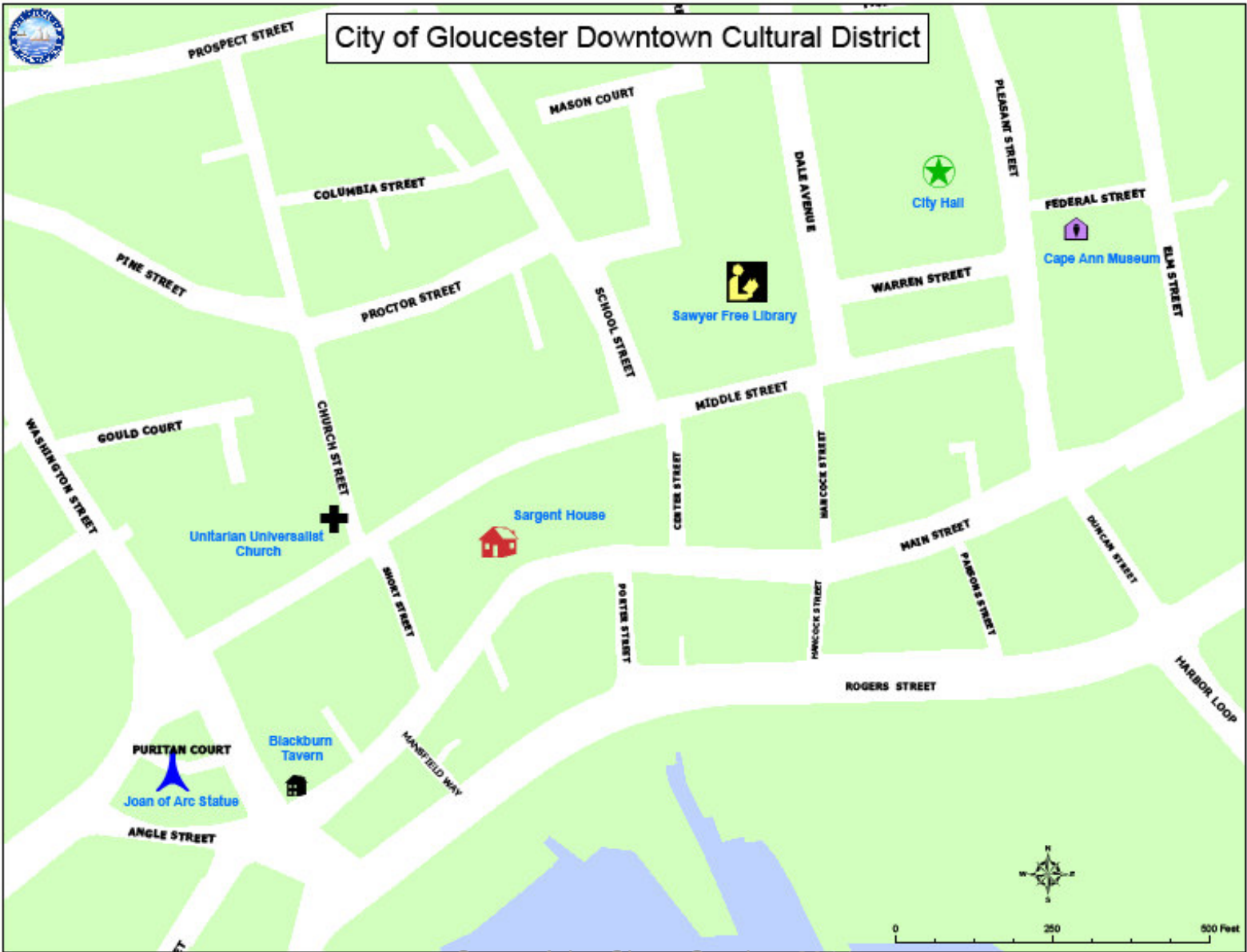
- **LEGISLATIVE** change with Congress
- **JUDICIAL** review through federal court
- **EXECUTIVE** action through Obama administration and U.S. Department of Commerce

**FISHING INDUSTRY:** *Preventing further consolidation of the fleet along with protection of the port infrastructure has been the focus of the city's efforts in the past year.*

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- **Support for the DPA (Designated Port Area)**
  - **NOTE:** Some regulatory relief is being sought as we work with the state to contemporize the program.
- **Rejuvenation of the Gloucester Fisheries Commission**
- **Requirement to preserve existing commercial fishing uses at I4-C2**
- **Integration of fishing industry needs with other economic interests, i.e., tourism, maritime focus, waterfront development**

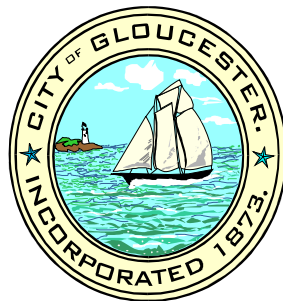
**CULTURAL DISTRICTS:** *The arts and culture community stakeholder groups are working to identify and create cultural districts within the city.*





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# *SUMMARY*



**SUMMARY – State of the City:** *As they say in the social media world, please excuse the shouting. But this is worth shouting about:*

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- **FINANCIALLY STRONGER AND MORE CONFIDENT**
- **RESPONSIBLE INVESTMENTS IN EDUCATION**
- **STABILIZED AND MORE RELIABLE INFRASTRUCTURE**
- **ECONOMIC VISION THAT RESONATES WITH COMMUNITY**